

Testimony of
The Honorable Jean Schmidt
Hearing by the House Committee on Rules
Thursday, March 30, 2006 at 10:00 am

Thank you, Chairman Dreier, and Members of the Committee, for holding this hearing on lobbying reform and permitting me to testify before you today.

Mr. Chairman, I commend you for your work on H.R. 4975, the Lobbying Accountability and Transparency Act, and expeditiously moving this legislation forward.

You may not be aware that lobbying got its start in Clermont County, Ohio – in my home district. Not the act of persuading policymakers itself, but the term “lobbying.” Clermont County’s famous son, Ulysses S. Grant, coined the term on one of his trips between the Willard Hotel and the White House. A crowd would gather in the lobby of the Willard waiting for Grant to pass through

so they might have a minute to discuss their favorite issues with him. He called them lobbyists.

I believe the opportunity to petition our government is an important part of the democratic process – so important that it was included in the First Amendment. But I also believe recent events underscore the need for reform, and I want to suggest two provisions to be included in the legislation.

To regain the trust of the American people, and to give them confidence in their government again, we must create additional transparency and accountability. One way to do that is by permitting people to gain additional information about the legislative process. A step toward that goal would be to make filings of the Foreign Agents Registration Act (FARA) available on the Internet. I have introduced legislation, H.R. 4679, the FARA Sunshine Act, to require that.

According to *National Journal*, some of the biggest clients of lobbyists are foreign corporations and foreign governments -- providing major sources of revenue sometimes totaling millions of dollars.

As you know, FARA requires foreign agents to: 1) register with the U.S. Department of Justice (DOJ) if they engage in political activity or represent a foreign principal before the U.S. government, and 2) disclose their agreements with, income from, and expenditures on behalf of foreign entities.

Currently, DOJ allows the public to view FARA filings at a small DOJ satellite office in downtown Washington, DC. To be admitted to this office, one must sign in, present identification, and undergo security screening. It's inconvenient, and one could even call it cumbersome.

We should be encouraging accountability and transparency, and make the FARA documents available on the Internet.

I would like to thank you for including in your bill a provision that the Lobbying Disclosure Act (LDA) filings be available on the Internet. In a recent article in the *National Journal*, Professor James Thurber, Director of American University's Center for Congressional and Presidential Studies, estimates that more than 100,000 people in Washington are lobbyists or associated with the business of lobbying. Thurber says that ultimately, the number is not as important as knowing who is lobbying, what they are lobbying for, and how much money they are spending. By putting the LDA filings on the Internet, we will increase transparency and disclosure, and allow the public to make its own judgment.

Finally, recent pre-recorded mass telephone call campaigns, in my Congressional District and others, have violated the

transparency, disclosure and accountability that we must expect.

These campaigns have flooded our constituents with calls and misidentified the sponsors. Call campaigns to my district even forged the caller identification number to make it appear that my own Congressional district office was calling! We all strongly support the First Amendment right to free speech – but is it too much to ask that callers truthfully identify themselves?

I introduced legislation, H.R. 4180, the Identification and Disclosure Act, which would require pre-recorded telephone calls to: 1) disclose at the beginning of the call the person paying for the call [full name and legal address]; and 2) disclose the accurate caller identification number of the person paying for the call [not that of a telemarketer]. I ask that you consider including this provision in H.R. 4975. We need to end anonymous pre-recorded calls.

Mr. Chairman, thank you for the opportunity to testify. I would be pleased to answer any questions.